

**OSTON AIR PROCUREMENT DISTRICT  
EA ARN CONTRACT MANAGEMENT REGION  
UNITED STATES AIR FORCE  
BOSTON ARMY BASE  
BOSTON 10, MASSACHUSETTS**

JUN 15 1961

14 Jun 1961

ENCLOSURE

DPO 4456-C1  
COPY 1 OF 1

REPLY TO  
ATTN OF: REHBAC-9

SUBJECT: Billing Rates on AF Contracts

TO: Itek Laboratories  
ATTN:   
Asst. Controller  
Lexington, Mass.

STAT

1. Reference your letter dated 2 June requesting approval of revised billing rates for the period 1 Apr 61 to 30 Sep 61. Your proposed rates, as follows, are considered acceptable for billing purposes for the period requested:

Engineering Overhead	150%
G&A Expense	13%
Special Equipments	165%
Palo Alto Overhead	120%

2. These rates are qualified to the extent that the Government reserves the right to adjust any or all of these rates which Audit discloses to be inequitable. This qualification is necessary as the Contractor has not had sufficient experience since the formation of Itek Laboratories.

3. It is contemplated that a review of your records will be made after three (3) months' experience.

Contracting Officer

cc:

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**SECRET**

DPD-1373-62

28 February 1962

MEMORANDUM FOR: Finance, DPD

SUBJECT : Contract No. BB-450 with ITEK,  
Assignment of Contract and  
Payment Plan Change

REFERENCE : Memorandum for the Record dtd.  
9 February 1962, Conference at  
Boston, Mass., with representatives  
of the First National Bank of Boston  
re assignment of ITEK/CORONA Contract  
to the Bank.

1. Attached hereto is one copy each of an Assignment of Monies due and to become due under Contract No. BB-450 from ITEK to the First National Bank of Boston and the Notice of Assignment sent to the Contracting Officer and Finance Officer.

2. You will note that the Notice of Assignments has been executed by [redacted] on behalf of the Contracting Officer and the Finance Officer. This was for reasons of cover and security as mentioned in referenced memorandum. However, it was agreed that the only change in the current payment procedure would be that the check would be made out to the bank in lieu of ITEK. All invoices and mail will still follow the established procedure.

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3. In view of the foregoing, a revised payment plan has been prepared showing the correct payee. This procedure will become effective upon receipt of the first invoice under Contract BB-450 to which a copy of the Assignment Notice is attached. The above is effective only on Contract No. BB-450 and no change is envisioned in the other contracts between the Agency and ITEK.

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CS/DPD-DD [redacted] cc

[redacted]  
Chief, Contracts Staff/ DPD

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- ~~cy~~ 1 - FIN/DPD w/att.  
2 - CS/DPD BB-450 A & I w/att.  
3 - SECUR/DPD w/att.  
4 - CS Chrono  
5 - RI/DPD

**SECRET**

9 February 1962

BB-450  
A.I

MEMORANDUM FOR THE RECORD

SUBJECT: Conference at Boston, Mass. with Representatives of the  
First National Bank of Boston Re Assignment of Itek/  
CORONA Contract to the Bank

1. On 19 January 1962 the writer and [redacted] Contracts Branch, visited the Itek facility at Newton to discuss a contractor matter involving security with Messrs. [redacted] and [redacted]

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2. The matter involved an assignment of Itek contracts to the First National Bank of Boston as a result of a loan from the First National Bank of Boston. At this time the loan was granted no assignment was requested by the bank but they subsequently decided to exercise their option after it had become known that Itek Corp. had a net loss of \$2 million for the year 1961.

3. Messrs. [redacted] discussed the nature of the assignment but suggested we interview [redacted] Secretary and Treasurer of the Corporation, in order to learn the latest development in the transaction. [redacted] indicated that the bank definitely wished to exercise their option of assignment. He stated that the bank was interested in assignment of any contract in-house at Itek worth more than \$50 thousand but that they would be satisfied with assignment of one contract if it were of sufficient value to cover the loan. [redacted] stated that the biggest contract in Itek is the CORONA contract #8214 and it was his desire, security permitting, that they assign this contract. [redacted] stated he had indicated to the bank that it was a sensitive contract involving security restrictions and their reaction was favorable to the extent they would agree to anything reasonable. [redacted] suggested that [redacted] and the writer visit the responsible officials at the bank and discuss the particulars of the transaction to determine whether the assignment of the CORONA stereo contract could be completed securely.

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4. Messrs. [redacted] Vice-president and [redacted] Loan Officer, were the officials of the First National Bank of Boston responsible for the Itek loan and assignment. Background investigations on both had been favorably completed. It was decided by [redacted] and the writer that it would be necessary to identify ourselves as representatives of CIA in order to solicit the cooperation of the bank in protecting Agency and program interests.

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**Page Denied**

DPD - 1159-62

COPY 1 OF 2

## THE FIRST NATIONAL BANK OF BOSTON

NOTICE OF ASSIGNMENT

To

[Redacted]  
Lt. Colonel, USAF  
AMC Aeronautical Systems Center USAF  
Wright-Patterson Air Force Base, Ohio

Date 9 February 1962 <sup>STAT</sup>

Re Contract Number AF33(600)-43449  
Made by the United States of America  
Department of the Air Force  
Division

(Contractor)

Itek Corporation, 10 Maguire Road  
Lexington, Massachusetts  
For Research and Development and Products

Dated August 15, 1961

PLEASE TAKE NOTICE that moneys due or to become due under the contract described above have been assigned to the undersigned pursuant to the provisions of the Assignment of Claims Act of 1940 (Public No. 811, 76th Congress), approved October 9, 1940, as amended.

A true copy of the instrument of assignment is attached hereto.

Payments due or to become due under such contract should be made to the assignee.

Please return to the undersigned the three enclosed copies of this notice with appropriate notations showing the date and hour of receipt and duly signed by the person acknowledging receipt on behalf of the addressee.

Very truly yours

The First National Bank of Boston, Assignee  
STAT

By

[Redacted]  
Authorized Official  
67 Milk Street  
Boston 6, Massachusetts

Receipt is hereby acknowledged of the above notice and a copy of the above-mentioned instrument of assignment. These were received at 9 a.m. on 12 FEBRUARY, 1962

STAT

[Redacted]  
On Behalf Of Contracting Officer

THE FIRST NATIONAL BANK OF BOSTON

NOTICE OF ASSIGNMENT

DPD 1155-62  
COPY 2 OF 2

To

[Redacted]  
Lt. Colonel, USAF  
AMC Aeronautical Systems Center USAF  
Wright-Patterson Air Force Base, Ohio

Date 9 February 1962 <sup>STAT</sup>

Re Contract Number AF33(600)-43449  
Made by the United States of America  
Department of the Air Force  
Division

(Contractor)

Itek Corporation, 10 Maguire Road  
Lexington, Massachusetts  
For Research and Development and Products

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Please return to the undersigned the three enclosed copies of this notice with appropriate notations showing the date and hour of receipt and duly signed by the person acknowledging receipt on behalf of the addressee.

Very truly yours

The First National Bank of Boston, Assignee  
STAT

By [Redacted]

Authorized Official  
67 Milk Street  
Boston 6, Massachusetts

STAT

Receipt is hereby acknowledged of the above notice and a copy of the above-mentioned instrument of assignment. These were received at 9 a.m. on 12 February, 1962.

On Behalf Of

[Redacted]  
Finance Officer

G-84

ASSIGNMENT OF MONIES DUE AND TO BECOME DUE  
(U.S. Government Contracts)

WHEREAS ITEK CORPORATION  
A Delaware Corporation

with its principal place of business in Lexington, Massachusetts (herein called the "Assignor") has entered into an agreement with the United States of America acting through Department of the Air Force

evidenced by a certain contract dated August 15, 1961, known as AF33(600)-43449, any letter of intent, letter of award, letter of acceptance of bid or proposal, informal or incomplete contract, order, authorization to commence performance or other similar instrument or communication made or received by the Assignor in anticipation of or in connection with said contract and any amendments thereof or supplements thereto (all collectively herein called the "Contract"); and

WHEREAS The First National Bank of Boston, a national banking association with its principal place of business in Boston, Massachusetts, (herein called the "Bank") requires that the payment to it of all indebtedness of the Assignor, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising (herein called "Bank Debt") be secured by the assignment to the Bank of all rights of the Assignor, now existing or hereafter arising, to monies due and to become due (herein called, respectively, "Accounts" and "Contract Rights") under the Contract and by other security as herein provided;

N O W   T H E R E F O R E:

1. To secure the payment of Bank Debt, the Assignor hereby assigns and transfers to the Bank all Accounts and Contract Rights arising under the Contract, the proceeds thereof and in any case where an Account arises from the sale of goods the interest of the Assignor in such goods and their products and proceeds; but no security interest in goods in favor of the Bank shall arise hereunder in any case where such interest would conflict with any title to or lien upon the goods in favor of the United States of America arising from progress, part or complete payment therefor.
2. The Assignor hereby authorizes and directs the United States of America to pay all Accounts arising under the Contract direct to the Bank by checks or other orders payable to the order of the Bank and irrevocably constitutes and appoints the Bank its true and lawful attorney, with full power of substitution, in its name or in the name of the Bank or otherwise, to ask, require and demand and to receive and give acquittance for any such payment and to endorse the name of the Assignor to any check, draft or other order for the payment of money payable to the Assignor received as such payment.
3. The Assignor agrees that if it shall receive any payment under the Contract, such payment shall be delivered forthwith to the Bank in the form received, and until so delivered the Assignor shall hold such payment in trust for the Bank and shall not commingle it with other funds or property of the Assignor.
4. The Assignor warrants that it is the lawful owner of all rights under the Contract, that it has good right to assign the same and that the same are free from any lien or other security interest and agrees that it shall defend the same against the claims and demand of all persons.
5. The Assignor agrees to furnish to the Bank copies of all invoices submitted to the United States of America for services rendered or goods sold and delivered pursuant to the Contract and further agrees that it will execute and deliver all such further instruments and shall take such further action as the Bank may from time to time reasonably request in order to carry out the provisions and intent of this agreement.
6. This instrument is intended to take effect as a sealed instrument, shall be binding upon the Assignor, its successors and assigns, shall inure to the benefit of the Bank, its successors and assigns, and shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the Assignor has caused this instrument to be duly executed this 9th day of February, 19 62.

STAT

ITEK CORPORATION

STAT

By

(Corporate Seal)

G-84

ASSIGNMENT OF MONIES DUE AND TO BECOME DUE  
(U.S. Government Contracts)

WHEREAS ITEK CORPORATION  
A Delaware Corporation

with its principal place of business in Lexington, Massachusetts (herein called the "Assignor") has entered into an agreement with the United States of America acting through Department of the Air Force

evidenced by a certain contract dated August 15, 1961,  
known as AF33(600)-43449, any letter of intent, letter of award, letter of acceptance of bid or proposal, informal or incomplete contract, order, authorization to commence performance or other similar instrument or communication made or received by the Assignor in anticipation of or in connection with said contract and any amendments thereof or supplements thereto (all collectively herein called the "Contract"); and

WHEREAS The First National Bank of Boston, a national banking association with its principal place of business in Boston, Massachusetts, (herein called the "Bank") requires that the payment to it of all indebtedness of the Assignor, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising (herein called "Bank Debt") be secured by the assignment to the Bank of all rights of the Assignor, now existing or hereafter arising, to monies due and to become due (herein called, respectively, "Accounts" and "Contract Rights") under the Contract and by other security as herein provided;

N O W   T H E R E F O R E:

1. To secure the payment of Bank Debt, the Assignor hereby assigns and transfers to the Bank all Accounts and Contract Rights arising under the Contract, the proceeds thereof and in any case where an Account arises from the sale of goods the interest of the Assignor in such goods and their products and proceeds; but no security interest in goods in favor of the Bank shall arise hereunder in any case where such interest would conflict with any title to or lien upon the goods in favor of the United States of America arising from progress, part or complete payment therefor.

2. The Assignor hereby authorizes and directs the United States of America to pay all Accounts arising under the Contract direct to the Bank by checks or other orders payable to the order of the Bank and irrevocably constitutes and appoints the Bank its true and lawful attorney, with full power of substitution, in its name or in the name of the Bank or otherwise, to ask, require and demand and to receive and give acquittance for any such payment and to endorse the name of the Assignor to any check, draft or other order for the payment of money payable to the Assignor received as such payment.

3. The Assignor agrees that if it shall receive any payment under the Contract, such payment shall be delivered forthwith to the Bank in the form received, and until so delivered the Assignor shall hold such payment in trust for the Bank and shall not commingle it with other funds or property of the Assignor.

4. The Assignor warrants that it is the lawful owner of all rights under the Contract, that it has good right to assign the same and that the same are free from any lien or other security interest and agrees that it shall defend the same against the claims and demand of all persons.

5. The Assignor agrees to furnish to the Bank copies of all invoices submitted to the United States of America for services rendered or goods sold and delivered pursuant to the Contract and further agrees that it will execute and deliver all such further instruments and shall take such further action as the Bank may from time to time reasonably request in order to carry out the provisions and intent of this agreement.

6. This instrument is intended to take effect as a sealed instrument, shall be binding upon the Assignor, its successors and assigns, shall inure to the benefit of the Bank, its successors and assigns, and shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the Assignor has caused this instrument to be duly executed this 9th day of February, 1962.

STAT

ITEK CORPORATION

STAT

By

(Corporate Seal)



DPD-7713-61

14 December 1961

ITEK Laboratories  
A Division of ITEK Corporation  
Lexington, Massachusetts

REFERENCE: Contract BB-450

Gentlemen:

Your invoice number 8 has been processed for payment in the amount billed. However, we have been having some difficulty reconciling with each invoice since invoice number 3 was processed for payment.

Please review invoice number 3. On line 10, where the invoice is reduced by 10% in accordance with Part IX (Progress Payments) of the Schedule of the contract, it appears the retention should have been \$14,119.11 instead of \$17,528.55.

This would result in an underclaim of \$3,409.44 if we are correct.

Yours very truly,



STAT

Dist:  
1 - Addressee  
1 - Contract BB-450  
1 - Chief, Contracts Staff, DPD  
1 - Reading  
1 - RI/DPD  
HEB:lot/DPD-Fin/14 December 1961

TOP SECRET

MUR-0051  
Copy 2 of 7

30 October 1961

MEMORANDUM FOR: Chief, Missile and Space Systems Division,  
Directorate of Budget, USAF

SUBJECT : MURAL Program

REFERENCE a. Memorandum dated 10 October 1961, D-1174, from  
Gen. Curtin to Mr. Parangosky  
b. Memorandum dated 17 October 1961, subject: Program  
Acceleration, from Gen. Curtin to Mr. Parangosky

1. As a result of reference memoranda, and oral direction from  
[redacted] the following contractual actions have been taken by  
the Project Office.

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a. LMSC, ITEK, and G-E have been given authorization to fabricate  
and deliver sixteen (16) complete MURAL Systems.

b. The sixteen (16) MURAL Systems are to be delivered for the  
following flight schedule:

M1E - 2/26/62	M9	7/3/62
M2E - 3/26/62	M10	7/13/62
M3 - 4/10/62	M11	7/23/62
M4 - 4/20/62	M12	8/26/62
M5 - 5/8/62	M13	8/13/62
M6 - 5/22/62	M14	8/20/62
M7 - 6/8/62	M15	Spare
M8 - 6/22/62	M16	Spare

c. ITEK has been authorized to acquire a new building in Newton,  
Massachusetts, for fabrication and assembly of the MURAL Systems.  
Costs of refurbishment and facilities are being charged to the MURAL  
contract. Rental of the facility is being assumed by ITEK.

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d. C''' Units Nos. 52 and 57 are being refurbished for flight under the C''' contract. A Reentry Vehicle from the "A" Program is being utilized for No. 52 and recovered parts and spares are being used for No. 57. This results in only one Reentry Vehicle remaining for the three (3) "A" instruments.


2. The total estimated cost for paragraphs a., b., and c. above is as follows:

LMSC	\$6,500,000
ITEK	14,500,000
G-E	<u>2,570,000</u>
Total	\$23,570,000

Costs in connection with paragraph d. will be furnished as soon as they are made available. However, it is believed that these costs can be covered within the current amount forecasted for the C''' in the Funding Report of 13 October 1961.

3. If the above does not agree with the requirements as you understand them, please advise immediately.

SIGNED

  
Contracting Officer, DPD

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CS/DPD-DI ;cc

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Distribution:

Orig - L. Meyer  
2 - CS/DPD CORONA/MURAL File  
3 - CH/DB/DPD  
4 - SADA/DPD  
5 - DB/DPD  
~~6 - FIN/DPD~~  
7 - RI/DPD

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